

# Instructions for Form OS-114, *Sales and Use Tax Return*

## Filing Instructions

You must complete and file **Form OS-114, *Sales and Use Tax Return***, even if no sales were made or no tax is due. Use the preprinted tax return the Department of Revenue Services (DRS) mailed to you. Complete the return in blue or black ink only.

If you are filing an **amended return**, check the box on the return.

### Due Date.

Form OS-114 is due on or before the last day of the month following the end of the filing period. The return must be postmarked on or before the due date. A return is filed timely if received or if the date shown by the U.S. Postal Service cancellation mark is on or before the last day of the month following the filing period shown on the return. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

### Taxpayer Information

Verify that the correct Federal Employer Identification Number (FEIN), Connecticut Tax Registration Number, and period ending appear on the return.

Verify that the mailing address on the front of the return is correct. If you have changed your **mailing address or trade name**, check the box and enter your new mailing address or trade name in the space provided.

If you have changed your **physical location**, check the box and enter your new location in the space provided.

If you are permanently out of business, check the box and enter your last business day.

### Return and Remittances

Make your check payable to: **Commissioner of Revenue Services**. Write your Connecticut Tax Registration Number on the check. DRS may submit your check to your bank electronically.

Mail the return and payment in the enclosed self-addressed envelope.

DRS will return any improperly completed returns or unsigned checks.

### Deductions

You **must itemize** all deductions claimed on the back of the return.

### Rounding

You must round off cents to the nearest whole dollar on your returns and schedules. If you do not round, DRS will disregard the cents. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents.

### Alternative Method

Use this alternative method to determine amounts for Lines 1, 2, and 3 if you do not account for sales tax separately from gross receipts.

Step 1: Deduct the total of all exempt sales from gross receipts.

Step 2: For receipts subject to the 6% tax rate, multiply the remaining balance by 94.3%.

Step 3: Add back the amount subtracted for exempt sales.

Step 4: Enter total on appropriate gross receipts line (Lines 1, 2, or 3).

## Successor's Liability

The purchaser of a business is liable for the taxes of the predecessor to the extent of the purchase price unless the purchaser obtains **Form AU-712, *Tax Clearance Certificate for Sales and Use Taxes***, from DRS. See Conn. Gen. Stat. §12-424(2). New owners must obtain a new Connecticut Tax Registration Number.

## Responsible Person Liability

Responsible persons may be held liable for sales and use taxes incurred by their business under Conn. Gen. Stat. §12-414a.

## For More Information

If you have any questions, visit the DRS website at **[www.ct.gov/DRS](http://www.ct.gov/DRS)** or contact the Taxpayer Services Division at 1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

## Line Instructions

### Line 1

**Enter total gross receipts** from the sale of tangible personal property.

(a) Include receipts from:

- Sales of cigarettes and motor vehicle fuel;
- Tax-exempt sales;
- Total credit sales;
- Federal and state excise taxes and state petroleum products gross earnings tax;
- Sales of heating fuel, electricity, and gas; **and**
- Shipping and delivery charges.

(b) Exclude from Line 1 receipts from:

- Installment payments from conditional or credit sales previously reported;
- Sales and use taxes;
- Sales of real estate; **and**
- Commissions received, except sales agents services.

### Line 2

**Enter total gross receipts** from the leasing and renting of tangible personal property. Include receipts from:

- Royalties or periodic payments received;
- Maintenance charges;
- Cancellation charges;
- Installation charges; **and**
- Shipping and delivery charges.

### Line 3

**Enter total gross receipts** derived from the rendering of all services, including but not limited to:

- a. Computer and data processing services;
- b. Credit information and reporting services;
- c. Employment agencies and agencies providing personnel services;
- d. Private investigation, protection, patrol work, watchman, and armored car services, excluding services of off-duty police officers and off-duty firefighters;
- e. Painting and lettering services;
- f. Photographic studio services;

- g. Telephone answering services;
- h. Stenographic services;
- i. Services to existing industrial, commercial, or income-producing real property;
- j. Business analysis, management, management consulting, and public relations services;
- k. Piped-in music services;
- l. Flight instruction and chartering services by a certified air carrier;
- m. Motor vehicle repair services;
- n. Motor vehicle parking excluding valet parking at any airport;
- o. Radio or television repair services;
- p. Furniture reupholstering and repair services;
- q. Repair services to electrical or electronic devices;
- r. Lobbying or consulting services;
- s. Sales agent services for selling tangible personal property, excluding auctioneer services;
- t. Locksmith services;
- u. Advertising or public relations services not related to the development of media advertising or cooperative direct mail advertising;
- v. Landscaping and horticulture services;
- w. Window cleaning services;
- x. Maintenance services;
- y. Janitorial services;
- z. Exterminating services;
- aa. Swimming pool cleaning and maintenance services;
- bb. Renovation and repair services to other than industrial, commercial, or income-producing real property;
- cc. Miscellaneous personal services (SIC Industry Group 729 or NAICS 532220, 812191, 812199, and 812990), excluding services by licensed massage therapists or licensed electrologists;
- dd. Repair or maintenance services to tangible personal property including any contract of warranty or service related to the item;
- ee. Business analysis, management, or management consulting services rendered by a general partner or an affiliate to a limited partnership;
- ff. Health and athletic club services;
- gg. Telecommunications services;
- hh. Community antenna television services;
- ii. Noncommercial vessel storage or mooring charges (exclusive of the period from November 1 through April 30);
- jj. Prepaid telephone calling service; **and**
- kk. Furnishing of space for storage.

#### Line 4

Enter **gross purchases of tangible personal property** subject to use tax.

#### Line 5

Enter **gross lease and rental** payments subject to use tax.

#### Line 6

Enter **gross payments for services** subject to use tax.

#### Line 7

Enter **total** of Lines 1 through 6.

#### Line 8

Enter **deduction total** from the Total Deductions line on the back of the return. If you claim deductions on Line 8, you must enter an amount on the appropriate deduction line(s) on the back of the return.

#### Line 9

**Subtract** Line 8 from Line 7 and enter the difference (not less than zero).

#### Line 10

**Multiply** the amount on Line 9 by the 6% tax rate.

#### Line 11

**For amended returns only**, enter the tax paid on any prior return(s) filed for the period.

#### Line 12

**Subtract** Line 11 from Line 10 and enter the difference.

#### Line 13

**Interest:** If this is a late or amended return, interest is computed at the rate of 1% per month or fraction of a month from the due date until the date of payment. Interest is based on the amount that should have been remitted on time.

**Penalty for failure to pay tax when due:** 15% of the tax due or \$50, whichever is greater.

Penalties for late electronic funds transfer (EFT) payments are:

- 2% of the tax due for EFT payments not more than 5 days late;
- 5% for EFT payments more than 5 days but not more than 15 days late; **and**
- 10% for EFT payments more than 15 days late.

#### Line 14

**Add** Line 12 and Line 13 and enter the total.

### Deductions

DRS may require certificates from purchasers to support exempt sales including services, leases, and rentals. This section may **only** be used to report exempt sales by your business. Personal or business expenses must **not** be included.

#### Lines 15 through 17

**Sales for resale:** Enter total sales made during the period for which resale certificates have been accepted.

#### Line 18

**Sales of all newspapers** and subscription sales of magazines and puzzle magazines.

#### Line 19

**Sales of commercial trucks** (including tractors and semitrailers) with gross vehicle weight rating over 26,000 pounds or operated actively and exclusively for carriage of interstate freight under a certificate or permit issued by the Interstate Commerce Commission or its successor agency.

#### Line 21

**Sales of food products** for human consumption, vegetable seeds, and food sold through vending machines **and sales of certain nonfood products** purchased with food stamps. Food does not include alcoholic beverages, soda, candy, gum, tobacco products, or food prepared for immediate consumption at or near the seller's location.

**Line 23**

**Sales of fuel for motor vehicles:** Enter the sales of gasoline and diesel fuels on which the Connecticut motor vehicle fuels tax has been paid. Do not include fuel purchased for use by the business filing this return.

**Line 24**

**Sales of electricity, gas, and heating fuel** for use in any residential dwelling.

**Line 25**

**Sales of electricity to businesses** of \$150 or less per month.

**Line 26**

**Sales of electricity, gas, and heating fuel to agricultural producers and manufacturers** when 75% or more of the heating fuel gas or electricity is consumed in a building or location used for agricultural production or manufacturing.

**Line 27**

**Sales of aviation fuel** used exclusively for aviation purposes.

**Line 29**

**Sales of tangible personal property for exclusive use in agricultural production** if a copy of the *Farmer Tax Exemption Permit*, was provided.

**Line 30**

**Sales of machinery and its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing production.** Sales of machinery and replacement, repair, component, and enhancement parts, parts to build machinery, used directly in the manufacturing process. Sales of materials, tools, and fuel used directly in an industrial plant in the manufacturing process or in furnishing gas, water, steam, or electricity when delivered to consumers through mains, lines or pipes. See Line 71 also.

**Line 31**

**Sales of machinery, materials, tools, equipment, and supplies** used predominantly in the **production of printed material** by a commercial printer or in a related printing production process including publishing.

**Line 32**

**Sales for commercial fishing:** Sales of vessels, machinery, or equipment for exclusive use on commercial fishing vessels. Sales of materials, tools, and fuel used directly in commercial fishing.

**Line 33 and Line 34**

**Sales in interstate and foreign commerce** where delivery was provided by seller to a point outside of Connecticut, irrespective of transportation facilities involved.

**Line 35**

**Out-of-state sales of services** when the benefit of the services is exclusively realized outside this state.

**Line 36**

**Sales of motor vehicles or vessels purchased by nonresidents:** Sales of motor vehicles or vessels are exempt from tax when the purchaser is not a resident of this state and does not maintain a permanent place of abode in this state, provided the motor vehicle or vessel is not presented for registration with the Department of Motor Vehicles in this state.

**Line 37**

**Sales of medicines, syringes, and needles by prescription.**

**Line 38**

**Sales of nonprescription medicines:** The exemption includes items used in or on the body: vitamin or mineral concentrates; dietary supplements; natural or herbal medicines; cough, cold, or allergy medicines; antihistamines; laxatives; antidiarrheal medicines; analgesics; antibiotic, antiviral, and antifungal medicines; antiseptics; astringents; anesthetics; steroidal medicines; anthelmintics; emetics and antiemetics; antacids; and eye, ear, or nose medications. Test strips, tablets, lancets, and glucose monitoring equipment for diabetes, and any replacement, repair, and enhancement parts for the equipment are also exempt. Excluded from the exemption are cosmetics, dentifrices, mouthwash, shaving and hair care products, soaps, and deodorants.

**Lines 39 through 41**

**Sales to exempt charitable or religious organizations** under I.R.C. §501(c)(3) or cemetery organizations exempt under I.R.C. §501(c)(13) if the organization furnishes a valid exemption certificate.

**Lines 42 through 44**

**Sales to governmental agencies:** Enter sales to the United States, State of Connecticut, or any political subdivision or agency of these governments, including public schools, police, fire departments, etc.

**Line 45**

**Sales of certified items for air or water pollution abatement:** Enter the sales of tangible personal property or supplies to be incorporated into or used and consumed in facilities whose primary purpose is the reduction, control or elimination of air or water pollution, certified as approved for this purpose by the Commissioner of the Department of Environmental Protection.

**Line 47**

**Nontaxable labor and service charges** included in Line 3 but not deductible on another line of this return.

**Example:** Labor on new construction.

**Line 48**

**Sales of services between wholly-owned business entities:** The exemption applies to services between entities, including entities other than corporations, where either entity owns a 100% controlling interest in the other. Business entities include corporations, trusts, estates, partnerships, limited partnerships, limited liability partnerships, limited liability companies, sole proprietorships, nonstock corporations, and federally recognized indian tribes. The exemption also applies to telecommunications services and community antenna television services. Note that a business entity cannot purchase services on resale when the services are purchased for resale to another affiliate.

**Line 50**

**Trade-ins:** Enter total trade-in allowance on any like-kind item of tangible personal property. All trade-ins, other than motor vehicles, farm tractors, snowmobiles, vessels, aircraft, and certain construction equipment, must be intended for resale.

**Line 52**

**Returned goods taxed at 6%:** Enter goods returned for credit within 90 days of date of sale.

**Line 56**

**Sales of oxygen, blood, artificial devices, crutches, and wheelchairs:** Enter sales of oxygen, blood or blood plasma, prostheses, or the sales or repair services of crutches, walkers, wheelchairs, inclined stairway chairlifts, etc., vital life support equipment, and replacement, repair, and enhancement parts for this equipment.

**Line 58**

**Sales of printed material** delivered to Connecticut where purchaser has certified it will be delivered for use out of state within 30 days.

**Line 59**

**Sales of clothing or footwear under \$50 each:** This exemption does not apply to purchases of: special clothing or footwear primarily designed for athletic activity or protective use; jewelry, handbags, luggage, wallets, umbrellas, watches, and similar items carried on or about the human body.

**Line 60**

**Sales of cloth and components and yarn** used in the noncommercial production of clothing.

**Line 63**

**Funeral expenses:** Enter sales of caskets used for burials and cremation and the first \$2,500 of tangible personal property for each funeral.

**Line 69**

**Sales of aircraft** and repair or replacement parts and repair services exclusively for use in such aircraft or in significant overhauling or rebuilding of aircraft on a factory basis.

**Line 71**

**Materials, tools, fuels, and machinery and equipment** to be used primarily in manufacturing, as described in the Manufacturing Recovery Act of 1992. Multiply applicable gross receipts by 50% and enter.

**Line 72**

**Sales of machinery, equipment, tools, supplies, and fuel** used directly in the **biotechnology industry**.

**Line 73**

**Sales of fabrication labor and repair and maintenance services for vessels:** *Vessel* means every description of watercraft, other than seaplane.

**Line 74**

**Computer and data processing services** taxable at 1%. Multiply the applicable gross receipts by 83.33% and enter. Internet access services are not taxable.

**Line 75**

**Renovation and repair services to residential property:** Paving, painting or staining, wallpapering, roofing, siding, and exterior sheet metal work services to other than industrial, commercial, or income-producing real property.

**Line 77**

**Sales to direct payment permit holders:** Direct payment permits allow taxpayers to pay use tax on certain purchases directly to DRS, rather than paying sales or use taxes to vendors.

**Line 78**

**Sales of college textbooks** to full-time or part-time students enrolled at institutions of higher education and private occupational schools, with presentation of valid student identification cards. The exemption applies only to new and used books and related workbooks required or recommended for courses.

**Line 79****Sales tax holiday**

**Clothing and footwear under \$300:** Enter total receipts from the sale of clothing or footwear under \$300 nontaxable for one week per year. The exclusion applies from the third Sunday in August through the following Saturday.

**Household appliances that meet the Energy Star standard:**

A sales tax holiday was enacted that ran from June 4, 2007, through September 30, 2007.

**Line 81**

**Residential weatherization products and compact fluorescent light bulbs:** Enter sales of residential weatherization products and sales of compact fluorescent light bulbs.

**Lines A, B, and C**

**Other adjustments:** Explain fully. On the applicable line, enter and describe any other deductions for exempt sales not enumerated. For example, include on these lines: Sales to senior centers or sales made by eleemosynary nonprofit organizations of not more than \$20. For a complete list of sales and use tax exemptions, see Conn. Gen. Stat. §12-412.